

**Platzer, Swergold, Karlin, Levine,
Goldberg & Jaslow, LLP**
Attorneys for Citibank, NA
1065 Avenue of the Americas, 18th Floor
New York, New York 10018
(212) 593-3000
Clifford A. Katz, Esq.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

Hearing Date: May 3, 2011
Time: 10:00 am

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In re:

Chapter 11

Next Generation Technology, Inc.

Case No.: 10-11416(JMP)

Debtor.

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**STATEMENT OF CITIBANK, NA OBJECTING TO THE
APPLICATION BY COUNSEL FOR THE DEBTOR FOR A SECOND INTERIM
ALLOWANCE FOR COMPENSATION AND REIMBURSEMENT OF EXPENSES**

This Statement (the “Statement”) is submitted by Citibank, NA (“Citibank”) by its counsel, Platzer, Swergold, Karlin, Levine, Goldberg & Jaslow, LLP, in response to the application of Dwyer & Associates LLC, counsel to the Debtor and Debtor-in-Possession, Next Generation Technology, Inc. (the “Debtor”), for a second interim allowance for compensation and reimbursement of expenses and states (the “Application”) as follows:

I. BACKGROUND

1. The Debtor filed its petition for relief pursuant to Chapter 11, Title 11 of the United States Code (the “Bankruptcy Code”) on March 18, 2010 (the “Filing Date”).
2. Pursuant to certain secured credit agreements executed by the Debtor in favor of Citibank (the “Agreements”), Citibank holds a first lien and security interest in substantially all of the pre petition assets of the Debtor including, but not limited to, the Debtor’s cash.
3. As of the Filing Date, the Debtor owed Citibank approximately \$927,914.00 plus

interest, costs and fees as may be payable pursuant to the Agreements and the Bankruptcy Code.

OBJECTION

4. Citibank hereby adopts and incorporates the objection filed by the Office of the United States Trustee dated April 22, 2011 to Application.

5. Additionally, upon review of the Application, for the entire period of the Application, approximately 8 months of time, it appears that Debtor's counsel spent a total of 24 hours devoted toward the Debtor's Chapter 11 case, however none of this time indicates any movement toward moving this case forward. The most significant service appears to be the preparation and filing of a notice of change of attorneys which represents a requested charge of \$1000 out of a requested compensation of \$6764.

6. Pursuant to the Final Order Authorizing the Debtor's Use of Cash Collateral *Nunc Pro Tunc* from the Petition Date (the "Final Order") Citibank agreed to a limited carve out for approved professional fees in order for this Debtor to have the benefit of counsel to assist it in its efforts toward rehabilitation. The limited carve out should be used appropriately and such legal fees paid must be necessary and beneficial to the Debtor. It is respectfully submitted that based upon the time records annexed to the Application unfortunately, this does not appear to be the case.

7. Additionally the Final Order, requires that if Citibank's cash collateral is going to be used to fund the carve out it must be identified in the Debtor's budget and available for payment. Unfortunately, Citibank has not received a recent budget and accordingly there is no availability from its cash collateral to pay an award to the extent approved by this Court.

8. Accordingly, Citibank objects to the award of compensation and reimbursement of expenses as requested by Debtor's counsel at this time.

WHEREFORE, Citibank requests that this Court enter an order consistent with this Statement, and such other and further relief as is just and proper.

Dated: New York, New York
April 27, 2010

**PLATZER, SWERGOLD, KARLIN, LEVINE,
GOLDBERG & JASLOW, LLP**
Attorneys for Citibank, NA

By:/s/ Clifford A. Katz
Clifford A. Katz
A Member of the Firm
1065 Avenue of the Americas
New York, New York 10018
(212) 593-3000